



Department of Justice
Canada

Ministère de la Justice
Canada

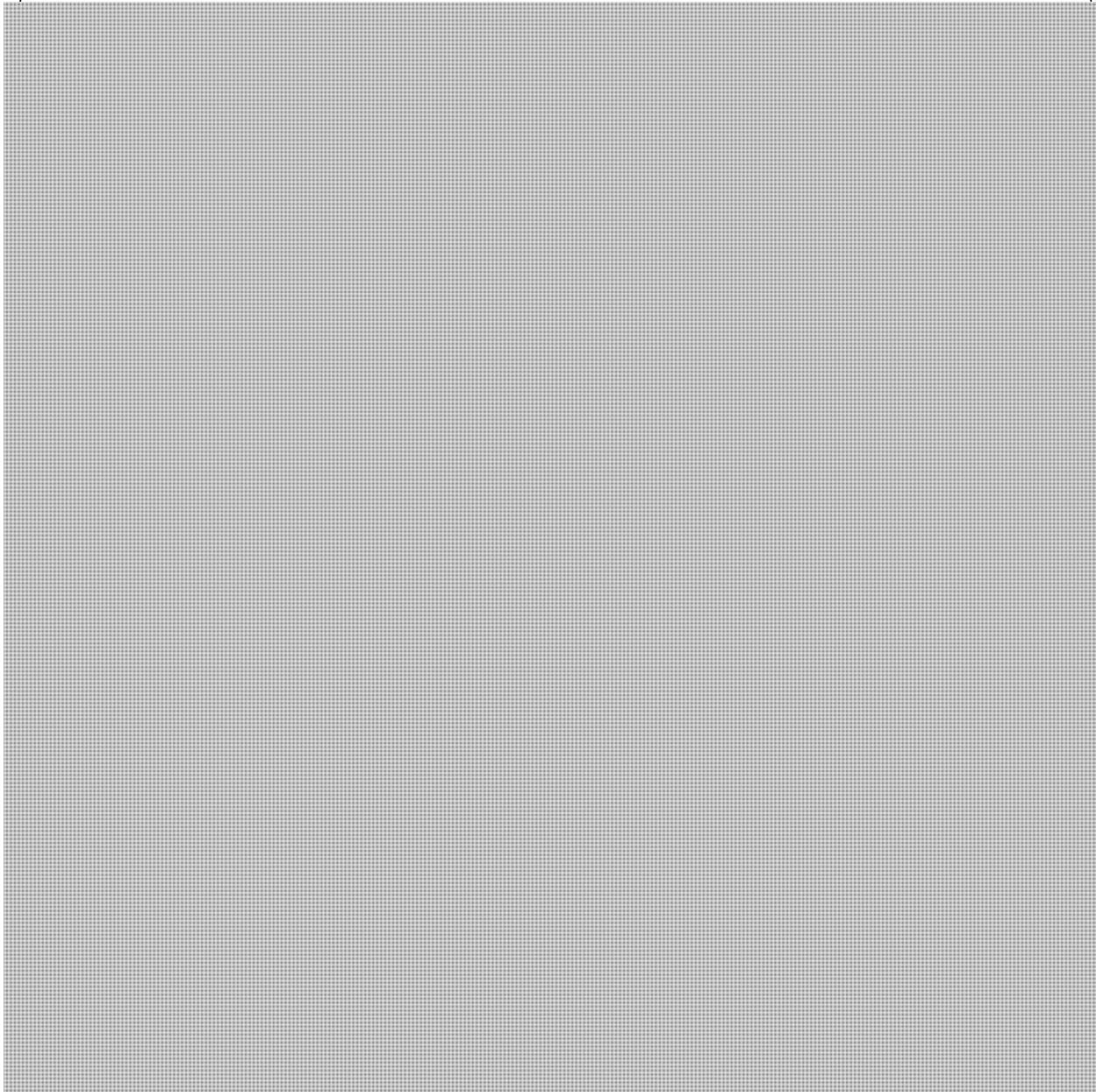
s.23

CCM#: 2016-007666
Security Classification: Unclassified
For Signature
Action by/Deadline: 2016/08/19

MEMORANDUM TO THE DEPUTY MINISTER

Between Canadian Food
Inspection Agency and The Department of Justice
(FOR SIGNATURE)

SUMMARY

A large rectangular area of the page is completely redacted with a fine, uniform dot pattern, obscuring several paragraphs of text that would normally follow the summary section.

**Page 2
is withheld pursuant to section
est retenue en vertu de l'article**

23

**of the Access to Information Act
de la Loi sur l'accès à l'information**

- 3 -

s.23

Unclassified

Prepared by:

Pascale Alig, Planning and Reporting Analyst, BRLP, (613-960-3206)

Date: 4 August 2016

Reviewed by:

Natalie Cormier, Director, BRLP, (613-946-8949)

Date: 



Approved by:

Andrew Saranchuk, Assistant Deputy Minister, BRLP, (613-957-4944)

Date: 2016 09 08

Responsible Associate DM:

Pierre Legault, Associate Deputy Minister 

Date: Aug 11, 2016

CCM#: 2016-007666

000003

**Pages 4 to / à 23
are withheld pursuant to section
sont retenues en vertu de l'article**

23

**of the Access to Information Act
de la Loi sur l'accès à l'information**



Department of Justice
Canada

Ministère de la Justice
Canada

CCM#: 2016-014461
Unclassified
For Information

MEMORANDUM TO THE DEPUTY MINISTER

Legal Services Revenue Cap (FOR INFORMATION) SUMMARY

Three key monitoring and control processes have been established to ensure Justice does not exceed the 2016-2017 cap.

- 1) Budget and Revenue Control with FTE targets and associated budget allocation.
- 2) Increase or decrease forecasts based on JUS reconciliations prior to the last 10% pre-payment in November.
- 3) The monthly Financial Situation Report will include monitoring processes to track and report on revenues collected on a regular basis.

*See stv
on DM*

BACKGROUND

AUG 11 2016

+ Diane Legault

The Legal Services Review (LSR) set a revenue cap of \$337.2M for total revenues in 2016-2017. MOU Annex B forecasts are systematically overstated due to a Client driven trend to include contingency for unforeseen in-year additional demand.

Recent analysis and consultation with Financial Management Advisors demonstrates that the present forecast of \$347.3M is overstated by approximately 6%. Discounting the forecasted revenue collection by 4% brings the estimate to the reasonably conservative level of \$333.4M, or 1% below the cap.

KEY CONSIDERATIONS

1. *2016-17 Budget and Revenue Control*

The revenue generating practitioners FTE targets for the delivery of legal services for 2016-2017 is 1890.

The 2016-17 Financial Strategy Budget Allocation for Sectors/Portfolios was based on the 1890 practitioners complement to ensure limited staffing in order not to exceed targets.

Unclassified

2. 2016-17 Billing Process

The new envelope billing process collects 50% of revenues from Clients in May, 40% in August and 10% in November.

The model provides Justice a means to control the balance of revenues collected during the November billing cycle. In November, it is likely that Justice will not recover the full 10% prepayment but an amount more aligned to the departmental estimate of \$333.4M.

3. Financial Situation Reports (FSR)

The revenue cap will be closely monitored through the monthly FSR to ensure that budgets and FTE levels are not exceeded. The FSR process will also allow Justice to timely detect any material surges in Clients' demand. This will enable Portfolios/Sectors to adjust operational levels to ensure service requests can be met within the current envelope of resources.

Way Forward and 2017-18 Forecasting Process

This fall, the Finance Planning Branch will engage the Portfolios/Sectors in a formal "revenue cap setting process" that will inform the 2017-18 MOU negotiations in order to:

- a) Validate the departmental revenue cap for 2017-18,
- b) Establish internal caps along with the requirement to manage demand and resources within their allocation, and;
- c) Ensure signed MOUs align with Departmental commitments.

Secondly, the respective roles of DSLU Heads and the National Litigation Sector in the negotiation of MOU Annex B with Client departments will be examined over the summer months. DSLU Heads currently lead negotiations with Clients on all advisory and litigation services but Justice would benefit from ensuring that the National Litigation Sector is part of the negotiations with Clients.

Detailed discussions of the 2017-18 process should generate new and improved roles and responsibilities for DSLU and the NLS.

RESOURCE IMPLICATIONS

Specific monitoring responsibilities will be added as part of the FSR process. No additional resources will be required.

COMMUNICATION IMPLICATIONS

N/A

CCM#: 2016 -014461

- 3 -

Unclassified

NEXT STEPS

The 2016-17 FSR process will provide Management Committee with timely updates on the Legal Services Cap over the span of the fiscal year.

Options and recommendations for an improved 2017-18 MOU Annex B negotiation process will be presented to the Management Committee in the late summer/early fall timeframe.

Reviewed by:

EM Eric Man, Manager, Costing and Reporting, Resource Management Directorate, Finance and Planning Branch, 613-325-3237

Date: July 14, 2016

Diane Platt, Acting Director General and Deputy Chief Financial Officer, Finance and Planning Branch, 613-957-4580

Date: 14.07.2016

Approved by:

Johanne Bernard, Assistant Deputy Minister and Chief Financial Officer, Management Sector, 613-907-3724

Date: July 20, 2016

Responsible Associate DM:

Pierre Legault, Associate Deputy Minister

Date: Aug 11, 2016

CCM#: 2016 -014461

000026